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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
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MARKET SUMMARY NOV 1971 SEPTEMBER 1971

PROCUREMENT SECTION
CURRENT SERIAL RECORDS

The Chattanooga Order MINIMUM uniform producer price is \$6.30 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to the location adjustment of the plant at which milk was received per §1090.53 and §1090.74.

In September 1971, 72.2% of producer milk received by pool plants was priced in Class I at \$6.92 per cwt. and 27.8% was priced in Class II at \$4.83 per cwt. The September butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during September 1971 was 36,256,350 pounds which is an increase of 3,517,932 pounds or 10.7% compared with September 1970. The September daily average deliveries from 789 producers was 1,532 pounds. This compares to 742 farms delivering a daily average of 1,471 pounds per day during September 1970.

REGIONAL HEARING ON MILK CLASSIFICATION IN 33 MILK ORDERS

A regional public hearing concerning milk classification in 33 federal milk marketing orders will be held October 18 at Atlanta, Ga., the U.S. Consumer and Marketing Service has announced. The hearing will begin at 10 a.m. at the Executive Park Motor Hotel, 1447 Northeast Expressway. Two other sessions of the hearing will be held November 9 at Dallas, Texas, and November 16 at Bloomington, Minn. The orders involved cover milk marketing areas mostly in the central, southern and southwestern parts of the nation. Southern orders included in the hearing are the Georgia, Chattanooga, Nashville, Memphis and Mississippi orders. The hearing was requested by major dairy farmer cooperatives.

Federal milk marketing orders set minimum prices to be paid to dairy farmers for milk they sell to dealers operating in marketing areas covered by federal orders. The dealers must pay for the milk according to how it is used. Generally, there are two milk use categories -- milk sold for bottling use (Class I), and milk sold for use in manufactured dairy products (Class II). A principal issue at the hearing will be the proposed establishment of a new intermediate (Class II) use class to include all cream products, eggnog, yogurt, cottage cheese, frozen desserts, sales to commercial food processors, and evaporated and condensed milk.

The cooperatives also proposed a Class III category which would be limited essentially to milk processed into butter, dry milk products and hard cheese. Major issues at the hearing will be the use of milk to be covered by each use class, and the basis of pricing Class II and Class III milk.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Sept. '71 Over Sept. '70	Sept. 1971	Aug. 1971	Sept. 1970
Number of Plants - Pool		7	7	6
- Non-Pool		13	13	14
RECEIPTS POUNDS (DAILY AVERAGE)				
Producer Milk	+10.7	1,208,545	1,143,217	1,091,281
Other Source	+29.4	41,623	32,910	32,158
Other Federal Orders	+75.3	106,213	110,125	60,595
TOTAL MILK RECEIPTS	+14.6	1,356,381	1,286,252	1,184,034
UTILIZATION POUNDS (DAILY AVERAGE)				
Class I Uses				
Homo Milk	- 1.3	448,750	408,701	454,736
Skim	- 6.9	20,940	20,775	22,493
2% Milk	+28.6	126,794	125,037	98,634
Buttermilk	+ 3.6	55,367	54,736	53,462
Flavored Milk and Drink	+ 6.3	20,822	20,065	19,592
Creams (Sweet and Sour)	+ 2.4	3,336	3,433	3,259
Yogurt	+33.3	665	479	499
Sub-Total - Pkg. Products (Pool Plants)	+ 3.7	676,674	633,226	652,675
Other (Shrinkage, Inventory, etc.)		5,090	3,558	5,994
Sales to Non-Pool Plants	0.0	238,341	48,250	238,344
In-Area Sales by Non-Pool Plants	-14.5	47,844	39,899	55,978
TOTAL CLASS I MILK	+ 1.6	967,949	724,933	952,991
Class II Uses - Pool Plants				
Ice Cream Mixes	+20.6	69,408	69,468	57,563
Cottage Cheese	+ 3.8	45,778	47,589	44,102
Powdered and Condensed Milk		-0-	-0-	-0-
Livestock Feed and Milk Dumped		8,047	8,298	6,464
Sub-Total - Used to Produce	+14.0	123,233	125,355	108,129
Shrinkage Class II		16,778	14,218	17,285
Other (Inventory Variation, etc.)		13,136	6,568	12,081
Bulk Sales to Non-Pool Plants	+151.5	235,285	415,178	93,548
TOTAL CLASS II MILK	+ 68.1	388,432	561,319	231,043
Class I Pkg. Lbs. In Area - Pool Plants	+ 6.1	514,148	474,426	484,634
Class I Pkg. Lbs. Out of Area-Pool Plants	- 3.3	162,526	158,800	168,041
Class I Pkg. Lbs. In Area - Non-Pool Plants	-14.5	47,844	39,899	55,978
% Producer Milk of Gross Class I		124.9	157.7	114.5
% Producer Milk Priced in Class I		72.2	55.3	80.8

CLASS I DAILY AVERAGE POUNDS ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	Sept. 1971	Aug. 1971	Sept. 1970
Homo Milk	37,434	29,644	44,488
Skim	268	272	312
2% Milk	5,492	5,389	5,596
Buttermilk	3,018	3,107	3,821
Flavored Milk & Drink	1,581	1,443	1,723
Creams (Sweet & Sour)	51	44	38
Total Daily Average Disposition	47,844	39,899	55,978
No. of partially regulated plants	2	2	1
No. of other order plants	11	11	13
Total Non-pool plants	13	13	14

COMPUTATION OF PRODUCER UNIFORM PRICE

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SEPTEMBER 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		29,038,467	3.225		
Less Other Source		2,863,081	2.767		
Producer Milk Class I	72.2	26,175,386	3.275455	\$6.738119	\$1,763,728.66
Gross Class II		11,652,956	4.577		
Less Other Source		1,571,992	2.899		
Producer Milk Class II	27.8	10,080,964	4.838119	5.873733	592,128.91
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	36,256,350	3.709949		\$2,355,857.57
Less Fractional Adjustment					.05
Less Handler Location Adjustment					297.58
Add Value of Overage					20.29
Add Value of Class I Other Source and Producer Location Adjustment		3,971	0.00		4,139.85
Add ½ Producer-Settlement Fund Reserve					3,458.78
TOTAL VALUE AT TEST		36,260,321	3.709542	\$6.517259	\$2,363,178.86
Less Test over 3.5% @ 8.0¢ per point		36,260,321	.209542	.167634	60,784.63
TOTAL UTILIZATION VALUE AT 3.5%		36,260,321	3.5	\$6.349625	\$2,302,394.23
Less Reserve per \$1090.71 (f)		36,260,321		.049625	17,994.18
PRODUCER UNIFORM PRICE - 3.5% TEST		36,260,321	3.5	\$6.30	\$2,284,400.05

SEPTEMBER 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.90	3.6	\$6.38	4.2	\$6.86	4.8	\$7.34	5.4	\$7.82
3.05	5.94	3.65	6.42	4.25	6.90	4.85	7.38	5.45	7.86
3.1	5.98	3.7	6.46	4.3	6.94	4.9	7.42	5.5	7.90
3.15	6.02	3.75	6.50	4.35	6.98	4.95	7.46	5.55	7.94
3.2	6.06	3.8	6.54	4.4	7.02	5.0	7.50	5.6	7.98
3.25	6.10	3.85	6.58	4.45	7.06	5.05	7.54	5.65	8.02
3.3	6.14	3.9	6.62	4.5	7.10	5.1	7.58	5.7	8.06
3.35	6.18	3.95	6.66	4.55	7.14	5.15	7.62	5.75	8.10
3.4	6.22	4.0	6.70	4.6	7.18	5.2	7.66	5.8	8.14
3.45	6.26	4.05	6.74	4.65	7.22	5.25	7.70	5.85	8.18
3.5	6.30	4.1	6.78	4.7	7.26	5.3	7.74	5.9	8.22
3.55	6.34	4.15	6.82	4.75	7.30	5.35	7.78	5.95	8.26

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1971, to establish a new milk base to be used in making payment to such producer during the months of March through July 1972. The 1972 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1971 through January 31, 1972 by the number of days from the first day of delivery-during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1971 through February 1972. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Sept. '70	\$6.32	-	-	8.4¢	\$6.76	8.4¢	\$4.66	8.1¢
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	-	-	-	-	6.98	8.2	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	(Daily Average)			
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
Sept. '70	70.52	26.86	\$4.66	\$4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	4.33	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	4.33	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	4.33	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	4.33	872,513	3.28	336,032	4.84

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ---	Pounds	
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Sept. '70	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212
June	20	1,346,798	746,820	886	1,241,946	1,117,489	3.67	1,402	1,261	141
July	21	1,372,089	791,680	905	1,237,001	1,109,761	3.67	1,367	1,226	141
Aug.	20	1,286,252	724,933	792	1,143,217	-	3.69	1,443	-	-
Sept.	20	1,356,381	967,949	789	1,208,545	-	3.71	1,532	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer --- Class II is Receipts minus Class I